

AMENDED IN ASSEMBLY MARCH 14, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2059

Introduced by Assembly Member Berg

February 15, 2006

An act to amend Sections ~~16809 and 16809.4~~ of *16809.4 and 16901 of, to amend and repeal Section 16809 of, and to repeal Section 16809.3 of*, the Welfare and Institutions Code, relating to county health services, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2059, as amended, Berg. County Medical Services Program.

Existing law provides that the board of supervisors of a county that contracted with the State Department of Health Services pursuant to a specified provision of law during the 1990–91 fiscal year and any county with a population under 300,000, as determined in accordance with the 1990 decennial census, by adopting a resolution to that effect, may elect to participate in the County Medical Services Program (CMSP) for state administration of health care services to eligible persons in the county.

Existing law, until January 1, 2008, authorizes counties that participate in the CMSP ~~program~~ to establish the CMSP Governing Board, to be comprised of various officers of participating counties, to govern the CMSP ~~program~~ and to establish eligibility and benefit levels.

Existing law establishes the County Medical Services Program account in the County Health Services Fund for specified purposes relating to the provision of health care services under the CMSP and the administration of that program. Under existing law, the County

Medical Services Program Account is a continuously appropriated fund.

This bill would ~~extend that authorization to January 1, 2012.~~, in addition, allow a county board of supervisors to contract with the Governing Board for the delivery of health care services to county residents other than under the CMSP by adopting a resolution to that effect.

By expanding the purposes for which a continuously appropriated fund may be used, the bill would make an appropriation.

Existing law provides that, if the CMSP Governing Board contracts with the department to administer the CMSP, the contract shall include specified provisions.

This bill would revise these required provisions. The bill would allow the Governing Board to contract with the department for specified services to assist in the administration of the CMSP, and would provide that such a contract shall not be subject to certain of those requirements.

Existing law establishes a County Medical Services Program Reserve Account in the County Health Services Fund, containing projected savings transferred from the program account.

This bill would eliminate this reserve account.

Existing law requires counties to pay participation fees as established by the Governing Board, and requires that these fees be deposited in the program account.

This bill would instead require these fees to be deposited in the program account unless otherwise directed by the Governing Board.

Existing law requires the Governing Board to establish uniform eligibility criteria and benefits for the CMSP.

This bill would require that these eligibility criteria and benefits apply only to specified counties, and would provide that, for counties not so specified, the eligibility criteria and benefit structure may vary. The bill would allow the Governing Board to establish and maintain pilot projects to identify or test alternative approaches for determining eligibility or for providing or paying for benefits under the CMSP, and to develop and implement alternative products with varying levels of eligibility criteria and benefits outside of the CMSP.

Existing law requires that counties and the state share the risk of cost increases of the CMSP not funded through other sources. Existing law provides for specified limitations on the amount of risk of cost increases in the CMSP that specified counties must bear. Existing

law requires that the limitation applicable to counties that did not contract with the department pursuant to specified provisions of law include certain additional amounts.

This bill would make various changes to these risk limitation amounts, and would eliminate the additional amounts applicable to certain counties. The bill would allow the Governing Board to adjust annually these risk limitation amounts to address cost growth in the program.

Existing law allows the department to reimburse hospitals under the CMSP at the rates negotiated for the Medi-Cal program if a specified condition is met.

This bill would eliminate this provision.

Existing law provides that General Fund moneys appropriated to meet the state share of the risk of cost increases in the CMSP shall not be available for counties electing to disenroll from the CMSP.

This bill would eliminate this provision.

Existing law requires counties to pay specified amounts to the department as a condition of participation in the CMSP.

This bill would repeal this provision.

Existing law sets forth the powers of the CMSP Governing Board.

This bill would provide the Governing Board with certain additional powers relating to monitoring and enforcing billing and the payment of fees, investigating improper billing, pursuing 3rd party and estate recoveries, establishing pilot projects, and developing alternative products outside of the CMSP.

Existing law requires that, before initiating any proceeding to challenge any action by the Governing Board, any prospective claimant first notify the board of the nature and basis of the challenge and the amount claimed. Existing law requires the board to consider the matter within 60 days after receiving the notice and to promptly thereafter provide written notice of the board's decision. Existing law provides that these requirements do not apply to provider audit appeals conducted pursuant to certain provisions of law, and apply to all claims not reviewed pursuant to other provisions of law.

This bill would provide that these requirements would not apply to provider audit appeals conducted pursuant to the provisions of law referenced above, and would apply to all claims not reviewed pursuant to the other provisions of law referenced above, only if the Governing Board contracts with the department for administration of the CMSP.

Existing law requires the Governing Board to comply with specified procedures for public meetings held to eliminate or reduce the level of services, restrict eligibility for services, or adopt regulations, including holding those meetings in the county seats of at least 4 regionally distributed CMSP participating counties. Existing law requires that the Governing Board locate those meetings in a specified manner to ensure that each member of the target population may reach at least one meeting by a drive of 4 hours or less.

This bill would, alternately, allow the Governing Board to hold 2 of the above meetings in Sacramento County.

The bill would eliminate the January 1, 2008, expiration date for these provisions, thereby extending them indefinitely.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16809 of the Welfare and Institutions
2 Code, as amended by Section 30 of Chapter 80 of the Statutes of
3 2005, is amended to read:

4 16809. (a) (1) The board of supervisors of a county that
5 contracted with the department pursuant to Section 16709 during
6 the 1990-91 fiscal year and any county with a population under
7 300,000, as determined in accordance with the 1990 decennial
8 census, by adopting a resolution to that effect, may elect to
9 participate in the County Medical Services Program. ~~The County~~
10 ~~Medical Services Program~~ *Governing Board* shall have
11 responsibilities for specified health services to county residents
12 certified eligible for those services by the county.

13 (2) *The board of supervisors of a county that has contracted*
14 *with the Governing Board pursuant to paragraph (1) may also*
15 *contract with the Governing Board for the delivery of health care*
16 *services to county residents other than under the County Medical*
17 *Services Program by adopting a resolution to that effect. The*
18 *Governing Board shall have responsibilities for the delivery of*
19 *specified health services to county residents as agreed upon by*
20 *the Governing Board and the county.*

21 (3) *The board of supervisors of a county that has not*
22 *contracted with the Governing Board pursuant to paragraph (1)*
23 *may contract with the Governing Board for the delivery of health*

1 *care services to county residents other than under the County*
2 *Medical Services Program by adopting a resolution to that effect.*
3 *The Governing Board shall have responsibilities for the delivery*
4 *of specified health services to county residents as agreed upon by*
5 *the Governing Board and the county.*

6 *(b) The Governing Board may contract with the department or*
7 *any other person or entity to administer the County Medical*
8 *Services Program.*

9 ~~(2) If the County Medical Services Program Governing Board~~

10 *(1) If the Governing Board contracts with the department to*
11 *administer the County Medical Services Program, that contract*
12 *shall include, but need not be limited to, all of the following:*

13 *(A) Provisions for the payment to participating counties for*
14 *making eligibility determinations based on the formula used by*
15 *the County Medical Services Program for the 1993-94 fiscal*
16 *year, as determined by the Governing Board.*

17 *(B) Provisions for payment of expenses of the County Medical*
18 *Services Program Governing Board.*

19 *(C) Provisions relating to the flow of funds from counties'*
20 *vehicle license fees, sales taxes, and participation fees and the*
21 *procedures to be followed if a county does not pay those funds to*
22 *the program.*

23 *(D) Those provisions, as applicable, contained in the 1993-94*
24 *fiscal year contract with counties under the County Medical*
25 *Services Program.*

26 *(E) Provisions for the department to administer the County*
27 *Medical Services Program pursuant to regulations adopted by*
28 *the Governing Board or as otherwise determined by the*
29 *Governing Board.*

30 ~~(3) The contract between the department and the County~~
31 ~~Medical Services Program Governing Board shall require that the~~
32 ~~County Medical Services Program Governing Board shall~~
33 ~~reimburse three million five hundred thousand dollars~~
34 ~~(\$3,500,000) for~~

35 *(F) Provisions requiring that the Governing Board reimburse*
36 *the state costs of providing administrative support to the County*
37 *Medical Services Program. The department may decline to*
38 *implement decisions made by the governing board that would*
39 *require a greater level of administrative support than that for the*
40 *1993-94 fiscal year. The department may implement decisions*

1 upon compensation by the governing board to cover that
2 increased level of support. *in accordance with amounts*
3 *determined between the Governing Board and the department.*

4 ~~(4) The contract between the department and the County~~
5 ~~Medical Services Program Governing Board may include~~
6 ~~provisions for the administration of a pharmacy benefit program~~
7 ~~and, pursuant to these provisions, the department may negotiate,~~
8 ~~on behalf of the County Medical Services Program, rebates from~~
9 ~~manufacturers that agree to participate. The governing board~~
10 ~~shall reimburse the department for staff costs associated with this~~
11 ~~paragraph.~~

12 ~~(5) The department shall administer the County Medical~~
13 ~~Services Program pursuant to the provisions of the 1993-94 fiscal~~
14 ~~year contract with the counties and regulations relating to the~~
15 ~~administration of the program until the County Medical Services~~
16 ~~Program Governing Board executes a contract for the~~
17 ~~administration of the County Medical Services Program and~~
18 ~~adopts regulations for that purpose.~~

19 *(2) The Governing Board may contract with the department*
20 *for specified services to assist in the administration of the County*
21 *Medical Services Program. The contract for specified services*
22 *shall not be subject to paragraph (1), except for subparagraphs*
23 *(E) and (F) of that paragraph.*

24 ~~(6)~~
25 (3) The department shall not be liable for any costs related to
26 decisions of the ~~County Medical Services Program~~ Governing
27 Board that are in excess of those set forth in the contract between
28 the department and the ~~County Medical Services Program~~
29 Governing Board.

30 ~~(b)~~
31 (c) Each county intending to participate in the County Medical
32 Services Program pursuant to this section shall submit to the
33 Governing Board ~~of the County Medical Services Program~~ a
34 notice of intent to contract adopted by the board of supervisors
35 no later than April 1 of the fiscal year preceding the fiscal year in
36 which the county will participate in the County Medical Services
37 Program.

38 ~~(e)~~

1 (d) A county participating in the County Medical Services
2 Program pursuant to this section shall not be relieved of its
3 indigent health care obligation under Section 17000.

4 ~~(d)~~

5 (e) (1) The County Medical Services Program Account is
6 established in the County Health Services Fund. The County
7 Medical Services Program Account is continuously appropriated,
8 notwithstanding Section 13340 of the Government Code, without
9 regard to fiscal years. The following amounts may be deposited
10 in the account:

11 (A) Any interest earned upon money deposited in the account.

12 (B) Moneys provided by participating counties or appropriated
13 by the Legislature to the account.

14 (C) Moneys loaned pursuant to subdivision ~~(q)~~ (m).

15 (2) The methods and procedures used to deposit funds into the
16 account shall be consistent with the methods used by the program
17 during the 1993-94 fiscal year, *unless otherwise determined by*
18 *the Governing Board*.

19 ~~(e)~~

20 (f) Moneys in the program account shall be used by the
21 ~~department, pursuant to its contract with the County Medical~~
22 ~~Services Program Governing Board Governing Board, or by the~~
23 ~~department if the department contracts with the Governing~~
24 ~~Board for this purpose, to pay for health care services provided~~
25 ~~to the persons meeting the eligibility criteria established pursuant~~
26 ~~to subdivision (j) and to pay for the expense of the governing~~
27 ~~board as set forth in the contract between the board and the~~
28 ~~department (i) and to pay the Governing Board expenses and~~
29 ~~program administrative costs.~~ In addition, moneys in this
30 account may be used to reimburse the department for state costs
31 pursuant to ~~paragraph (3) of subdivision (a)~~ subparagraph (F) of
32 *paragraph (1) of subdivision (b)*.

33 ~~(f)~~

34 (g) (1) Moneys in this account shall be administered on an
35 accrual basis and notwithstanding any other provision of law,
36 except as provided in this section, shall not be transferred to any
37 other fund or account in the State Treasury except for purposes of
38 investment as provided in Article 4 (commencing with Section
39 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the
40 Government Code.

1 (2) (A) All interest or other increment resulting from the
2 investment shall be deposited in the program account, ~~at the end~~
3 ~~of the 1982-83 fiscal year and every six months thereafter,~~
4 notwithstanding Section 16305.7 of the Government Code.

5 (B) All interest deposited pursuant to subparagraph (A) shall
6 be available to reimburse program-covered services, ~~County~~
7 ~~Medical Services Program Governing Board expenses, or for~~
8 ~~expenditures to augment the program's rates, benefits, or~~
9 ~~eligibility criteria pursuant to subdivision (j). Governing Board~~
10 ~~expenses, and program administrative costs.~~

11 (g) ~~A separate County Medical Services Program Reserve~~
12 ~~Account is established in the County Health Services Fund. Six~~
13 ~~months after the end of each fiscal year, any projected savings in~~
14 ~~the program account shall be transferred to the reserve account,~~
15 ~~with final settlement occurring no more than 12 months later.~~
16 ~~Moneys in this account shall be utilized when expenditures for~~
17 ~~health services made pursuant to subdivision (j) for a fiscal year~~
18 ~~exceed the amount of funds available in the program account for~~
19 ~~that fiscal year. When funds in the reserve account are estimated~~
20 ~~to exceed 10 percent of the budget for health services for all~~
21 ~~counties electing to participate in the County Medical Services~~
22 ~~Program under this section for the fiscal year, the additional~~
23 ~~funds shall be available for expenditure to augment the rates,~~
24 ~~benefits, or eligibility criteria pursuant to subdivision (j) or for~~
25 ~~reducing the participation fees as determined by the County~~
26 ~~Medical Services Program Governing Board pursuant to~~
27 ~~subdivision (i). Nothing in this section shall preclude the CMSP~~
28 ~~Governing Board from establishing other reserves.~~

29 (h) ~~Moneys in the program account and the reserve account,~~
30 ~~except for moneys provided by the state in excess of the amount~~
31 ~~required to fund the state risk specified in subdivision (j), and~~
32 ~~any funds loaned pursuant to subdivision (q) shall not be~~
33 ~~transferred to any other fund or account in the State Treasury~~
34 ~~except for purposes of investment as provided in Article 4~~
35 ~~(commencing with Section 16470) of Chapter 3 of Part 2 of~~
36 ~~Division 4 of Title 2 of the Government Code. All interest or~~
37 ~~other increment resulting from investment shall be deposited in~~
38 ~~the program account, notwithstanding Section 16705.7 of the~~
39 ~~Government Code.~~

40 (i)

1 (h) (1) Counties shall pay participation fees as established by
2 the ~~County Medical Services Program~~ Governing Board and their
3 jurisdictional risk amount in a method that is consistent with that
4 established in the 1993-94 fiscal year.

5 (2) A county may request, due to financial hardship, the
6 payments under paragraph (1) be delayed. The request shall be
7 subject to approval by the ~~CMSP~~ Governing Board.

8 (3) Payments made pursuant to this subdivision shall be
9 deposited in the program account, *unless otherwise directed by*
10 *the Governing Board*.

11 (4) Payments may be made as part of the deposits authorized
12 by the county pursuant to Sections 17603.05 and 17604.05.

13 ~~(j) (1) (A) For the 1991-92 fiscal year and all preceding fiscal~~
14 ~~years, the state shall be at risk for any costs in excess of the~~
15 ~~amounts deposited in the reserve fund.~~

16 ~~(B) (i)~~

17 (i) (1) (A) Beginning in the 1992-93 fiscal year and for each
18 fiscal year thereafter, counties and the state shall share the risk
19 for cost increases of the County Medical Services Program not
20 funded through other sources. The state shall be at risk for any
21 cost that exceeds the cumulative annual growth in dedicated sales
22 tax and vehicle license fee revenue, up to the amount of twenty
23 million two hundred thirty-seven thousand four hundred sixty
24 dollars (\$20,237,460) per fiscal year, except for the 1999-2000,
25 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, and 2005-06
26 fiscal years. Counties shall be at risk up to the cumulative annual
27 growth in the Local Revenue Fund created by Section 17600,
28 according to the table specified in paragraph (2), to the County
29 Medical Services Program, plus the additional cost increases in
30 excess of twenty million two hundred thirty-seven thousand four
31 hundred sixty dollars (\$20,237,460) per fiscal year, except for the
32 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, and
33 2005-06 fiscal years. ~~In the 1994-95 fiscal year, the amount of~~
34 ~~the state risk shall be twenty million two hundred thirty-seven~~
35 ~~thousand four hundred sixty dollars (\$20,237,460) per fiscal year,~~
36 ~~in addition to the cost of administrative support pursuant to~~
37 ~~paragraph (3) of subdivision (a).~~

38 (ii) For the 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04,
39 2004-05, and 2005-06 fiscal years, the state shall not be at risk
40 for any cost that exceeds the cumulative annual growth in

dedicated sales tax and vehicle license fee revenue. Counties shall be at risk up to the cumulative annual growth in the Local Revenue Fund created by Section 17600, according to the table specified in paragraph (2), to the County Medical Services Program, plus any additional cost increases for the 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years.

~~(C) The CMSP Governing Board, after consultation with the department, shall establish uniform eligibility criteria and benefits for the County Medical Services Program.~~

(B) (i) The Governing Board shall establish uniform eligibility criteria and benefits among all counties participating in the County Medical Services Program listed in paragraph (2). For counties that are not listed in paragraph (2) and that elect to participate pursuant to paragraph (1) of subdivision (a), the eligibility criteria and benefit structure may vary from those of counties participating pursuant to paragraph (2) of subdivision (a).

(ii) Notwithstanding clause (i), the Governing Board may establish and maintain pilot projects to identify or test alternative approaches for determining eligibility or for providing or paying for benefits under the County Medical Services Program, and may develop and implement alternative products with varying levels of eligibility criteria and benefits outside of the County Medical Services Program.

(2) For the 1991-92 fiscal year, and each year thereafter, jurisdictional risk limitations shall be as follows:

Jurisdiction	-- Amount
Alpine.....	\$- 13,150
Amador.....	620,264
Butte.....	5,950,593
Calaveras.....	913,959
Colusa.....	799,988
Del Norte.....	781,358
El Dorado.....	3,535,288
Glenn.....	787,933
Humboldt.....	6,883,182
Imperial.....	6,394,422
Inyo.....	1,100,257

1	Jurisdiction	-- Amount
2	Kings.....	2,832,833
3	Lassen.....	687,113
4	Madera.....	2,882,147
5	Marin.....	7,725,909
6	Mariposa.....	435,062
7	Modoc.....	469,034
8	Mono.....	369,309
9	Napa.....	3,062,967
10	Nevada.....	1,860,793
11	Plumas.....	905,192
12	San Benito.....	1,086,011
13	Shasta.....	5,361,013
14	Sierra.....	135,888
15	Siskiyou.....	1,372,034
16	Solano.....	6,871,127
17	Sonoma.....	13,183,359
18	Sutter.....	2,996,118
19	Tehama.....	1,912,299
20	Trinity.....	611,497
21	Tuolumne.....	1,455,320
22	Yuba.....	2,395,580

(3) Beginning in the 1991-92 fiscal year and in subsequent fiscal years, the jurisdictional risk limitation for the counties that did not contract with the department pursuant to Section 16709 during the 1990-91 fiscal year shall be the amount specified in paragraph (A) plus the amount determined pursuant to paragraph (B), minus the amount specified by the County Medical Services Program Governing Board as participation fees.

(A)–

33	Jurisdiction	Amount
34	Lake.....	\$1,022,963
35	Mendocino.....	1,654,999
36	Mereed.....	2,033,729
37	Placer.....	1,338,330
38	San Luis Obispo.....	2,000,491
39	Santa Cruz.....	3,037,783
40	Yolo.....	1,475,620

~~(B) The amount of funds necessary to fully fund the anticipated costs for the county shall be determined by the CMSP Governing Board before a county is permitted to participate in the County Medical Services Program.~~

<i>Jurisdiction</i>	<i>Amount</i>
Alpine.....	\$ 13,150
Amador.....	620,264
Butte.....	5,950,593
Calaveras.....	913,959
Colusa.....	799,988
Del Norte.....	781,358
El Dorado.....	3,535,288
Glenn.....	787,933
Humboldt.....	6,883,182
Imperial.....	6,394,422
Inyo.....	1,100,257
Kings.....	2,832,833
Lake.....	1,022,963
Lassen.....	687,113
Madera.....	2,882,147
Marin.....	7,725,909
Mariposa.....	435,062
Mendocino.....	1,654,999
Modoc.....	469,034
Mono.....	369,309
Napa.....	3,062,967
Nevada.....	1,860,793
Plumas.....	905,192
San Benito.....	1,086,011
Shasta.....	5,361,013
Sierra.....	135,888
Siskiyou.....	1,372,034
Solano.....	6,871,127
Sonoma.....	13,183,359
Sutter.....	2,996,118
Tehama.....	1,912,299
Trinity.....	611,497
Tuolumne.....	1,455,320
Yuba.....	2,395,580

1 (3) *The Governing Board may annually adjust the risk*
2 *limitation amounts specified in paragraph (2) to address cost*
3 *growth in the program.*

4 (4) ~~For the 1994-95 and 1995-96 fiscal years, the~~ *The specific*
5 *amounts and method of apportioning risk to each participating*
6 *county may be adjusted by the* ~~CMSP~~ *Governing Board.*

7 ~~(k)~~

8 (j) The Legislature hereby determines that an expedited
9 contract process for contracts under this section is necessary.
10 Contracts under this section shall be exempt from Part 2
11 (commencing with Section 10100) of Division 2 of the Public
12 Contract Code. Contracts of the department pursuant to this
13 section shall have no force or effect unless they are approved by
14 the Department of Finance.

15 ~~(l)~~

16 (k) The state shall not incur any liability except as specified in
17 this section.

18 ~~(m)~~

19 (l) Third-party recoveries for services provided under this
20 ~~section pursuant to Article 3.5 (commencing with Section~~
21 ~~14124.70) of Chapter 7 of Part 3~~ *section* may be pursued.

22 ~~(n) Under the program provided for in this section, the~~
23 ~~department may reimburse hospitals for inpatient services at the~~
24 ~~rates negotiated for the Medi-Cal program by the California~~
25 ~~Medical Assistance Commission, pursuant to Article 2.6~~
26 ~~(commencing with Section 14081) of Chapter 7 of Part 3, if the~~
27 ~~California Medical Assistance Commission determines that~~
28 ~~reimbursement to the hospital at the contracted rate will not have~~
29 ~~a detrimental fiscal impact on either the Medi-Cal program or the~~
30 ~~program provided for in this section. In negotiating and~~
31 ~~renegotiating contracts with hospitals, the commission may seek~~
32 ~~terms which allow reimbursement for patients receiving services~~
33 ~~under this section at contracted Medi-Cal rates.~~

34 ~~(o) Any hospital which has a contract with the state for~~
35 ~~inpatient services under the Medi-Cal program and which has~~
36 ~~been approved by the commission to be reimbursed for patients~~
37 ~~receiving services under this section shall not deny services to~~
38 ~~these patients.~~

39 ~~(p) Participating counties may conduct an independent~~
40 ~~program review to identify ways through which program savings~~

1 may be generated. The counties and the department may
2 collectively pursue identified options for the realization of
3 program savings.

4 (q)

5 (m) The Department of Finance may authorize a loan of up to
6 thirty million dollars (\$30,000,000) for deposit into the program
7 account to ensure that there are sufficient funds available to
8 reimburse providers and counties pursuant to this section.

9 (r) Regulations adopted by the department pursuant to this
10 section shall remain operative and shall be used to operate the
11 County Medical Services Program until a contract with the
12 County Medical Services Program Governing Board is executed
13 and regulations, as appropriate, are adopted by the County
14 Medical Services Program Governing Board. Notwithstanding
15 Chapter 3.5 (commencing with Section 11340) of Part 1 of
16 Division 3 of Title 2 of the Government Code, those regulations
17 adopted under the County Medical Services Program shall
18 become inoperative until January 1, 1998, except those
19 regulations that the department, in consultation with the County
20 Medical Services Program Governing Board, determines are
21 needed to continue to administer the County Medical Services
22 Program. The department shall notify the Office of
23 Administrative Law as to those regulations the department will
24 continue to use in the implementation of the County Medical
25 Services Program.

26 (s) Moneys appropriated from the General Fund to meet the
27 state risk as set forth in subparagraph (B) of paragraph (1) of
28 subdivision (j) shall not be available for those counties electing
29 to disenroll from the County Medical Services Program.

30 (t) This section shall remain in effect only until January 1,
31 2012, and as of that date is repealed, unless a later enacted
32 statute, that is enacted on or before January 1, 2012, deletes or
33 extends that date.

34 SEC. 2. Section 16809 of the Welfare and Institutions Code,
35 as amended by Section 31 of Chapter 80 of the Statutes of 2005,
36 is amended to read:

37 16809. (a) The board of supervisors of a county that
38 contracted with the department pursuant to Section 16709 during
39 the 1990-91 fiscal year and any county with a population under
40 300,000, as determined in accordance with the 1990 decennial

1 census, may enter into a contract with the department and the
2 department may enter into a contract with that county under
3 which the department agrees to administer the program
4 responsibilities for specified health services to county residents
5 certified eligible for those services by the county.

6 (b) ~~Each county intending to contract with the department~~
7 ~~pursuant to this section shall submit to the department a notice of~~
8 ~~intent to contract adopted by the board of supervisors no later~~
9 ~~than April 1 of the fiscal year preceding the fiscal year for which~~
10 ~~the agreement will be in effect in accordance with procedures~~
11 ~~established by the department.~~

12 (c) ~~A county contracting with the department pursuant to this~~
13 ~~section shall not be relieved of its indigent health care obligation~~
14 ~~under Section 17000.~~

15 (d) ~~The department shall establish the County Medical~~
16 ~~Services Program Account in the County Health Services Fund.~~
17 ~~The County Medical Services Program Account is continuously~~
18 ~~appropriated, notwithstanding Section 13340 of the Government~~
19 ~~Code, without regard to fiscal years. The following amounts may~~
20 ~~be deposited in the account:~~

21 (1) ~~Any interest earned upon money deposited in the account.~~

22 (2) ~~Moneys provided by participating counties or appropriated~~
23 ~~by the Legislature to the account.~~

24 (3) ~~Moneys loaned pursuant to subdivision (q).~~

25 (e) ~~Moneys in the program account shall be used by the~~
26 ~~department to pay for health care services provided to the~~
27 ~~persons meeting the eligibility criteria established pursuant to~~
28 ~~subdivision (j).~~

29 (f) (1) ~~Moneys in this account shall be administered on an~~
30 ~~accrual basis and notwithstanding any other provision of law,~~
31 ~~except as provided in this section, shall not be transferred to any~~
32 ~~other fund or account in the State Treasury except for purposes of~~
33 ~~investment as provided in Article 4 (commencing with Section~~
34 ~~16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the~~
35 ~~Government Code.~~

36 (2) (A) ~~All interest or other increment resulting from the~~
37 ~~investment shall be deposited in the program account, at the end~~
38 ~~of the 1982-83 fiscal year and every six months thereafter,~~
39 ~~notwithstanding Section 16305.7 of the Government Code.~~

1 ~~(B) All interest deposited pursuant to subparagraph (A) shall~~
2 ~~be available to reimburse program-covered services, or for~~
3 ~~expenditures to augment the program's rates, benefits, or~~
4 ~~eligibility criteria pursuant to subdivision (j).~~

5 ~~(g) The department shall establish a separate County Medical~~
6 ~~Services Program Reserve Account in the County Health~~
7 ~~Services Fund. Six months after the end of each fiscal year, any~~
8 ~~projected savings in the program account shall be transferred to~~
9 ~~the reserve account, with final settlement occurring no more than~~
10 ~~12 months later. Moneys in this account shall be utilized when~~
11 ~~expenditures for health services made pursuant to subdivision (j)~~
12 ~~for a fiscal year exceed the amount of funds available in the~~
13 ~~program account for that fiscal year. When funds in the reserve~~
14 ~~account are estimated to exceed 10 percent of the budget for~~
15 ~~health services for all counties electing to contract with the~~
16 ~~department under this section for the fiscal year, the additional~~
17 ~~funds shall be available for expenditure to augment the rates,~~
18 ~~benefits, or eligibility criteria pursuant to subdivision (j) or for~~
19 ~~reducing the participation fees required by Section 16809.3.~~

20 ~~(h) Moneys in the program account and the reserve account,~~
21 ~~except for moneys provided by the state in excess of the amount~~
22 ~~required to fund the state risk specified in subdivision (j), and~~
23 ~~any funds loaned pursuant to subdivision (q), shall not be~~
24 ~~transferred to any other fund or account in the State Treasury~~
25 ~~except for purposes of investment as provided in Article 4~~
26 ~~(commencing with Section 16470) of Chapter 3 of Part 2 of~~
27 ~~Division 4 of Title 2 of the Government Code. All interest or~~
28 ~~other increment resulting from investment shall be deposited in~~
29 ~~the program account, notwithstanding Section 16705.7 of the~~
30 ~~Government Code.~~

31 ~~(i) (1) Counties shall pay by the 15th of each month the~~
32 ~~agreed-upon contract amount. In the event a county does not~~
33 ~~make the agreed-upon monthly payment, the department may~~
34 ~~terminate the county's participation in the program.~~

35 ~~(2) A county may request, due to financial hardship, the~~
36 ~~payments under paragraph (1) be delayed. The request shall be~~
37 ~~subject to approval by the Small County Advisory Committee.~~

38 ~~(3) Payments made pursuant to this subdivision shall be~~
39 ~~deposited in the program account.~~

~~(4) Payments may be made as part of the deposits authorized by the county pursuant to Sections 17603.05 and 17604.05.~~

~~(j) (1) (A) For the 1991-92 fiscal year and all preceding fiscal years, the state shall be at risk for any costs in excess of the amounts deposited in the reserve fund.~~

~~(B) Beginning in the 1992-93 fiscal year and for each fiscal year thereafter, counties and the state shall share the risk for cost increases of the County Medical Services Program not funded through other sources. The state shall be at risk for any cost that exceeds the cumulative annual growth in dedicated sales tax and vehicle license fee revenue, up to the amount of twenty million two hundred thirty-seven thousand four hundred sixty dollars (\$20,237,460) per fiscal year, except for the 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years. Counties shall be at risk up to the cumulative annual growth in the Local Revenue Fund created by Section 17600 according to the table specified in paragraph (2) to the County Medical Services Program, plus additional cost increases in excess of twenty million two hundred thirty-seven thousand four hundred sixty dollars (\$20,237,460) per fiscal year.~~

~~(C) As a condition of the state assuming this risk, the department may require uniform eligibility criteria and benefits to be provided which shall be mutually established by participating counties in conjunction with the department. The County Medical Services Program Governing Board may revise these eligibility criteria and benefits or alter rates of payment in order to assure that expenditures do not exceed the funds available in the program account.~~

~~(2) For the 1991-92 fiscal year, jurisdictional risk limitations shall be as follows:~~

Jurisdiction	— Amount
Alpine.....	\$— 13,150
Amador.....	620,264
Butte.....	5,950,593
Calaveras.....	913,959
Colusa.....	799,988
Del Norte.....	781,358
El Dorado.....	3,535,288
Glenn.....	787,933

1	Humboldt.....	6,883,182
2	Imperial.....	6,394,422
3	Inyo.....	1,100,257
4	Kings.....	2,832,833
5	Lassen.....	687,113
6	Madera.....	2,882,147
7	Marin.....	7,725,909
8	Mariposa.....	435,062
9	Modoc.....	469,034
10	Mono.....	369,309
11	Napa.....	3,062,967
12	Nevada.....	1,860,793
13	Plumas.....	905,192
14	San Benito.....	1,086,011
15	Shasta.....	5,361,013
16	Sierra.....	135,888
17	Siskiyou.....	1,372,034
18	Solano.....	6,871,127
19	Sonoma.....	13,183,359
20	Sutter.....	2,996,118
21	Tehama.....	1,912,299
22	Trinity.....	611,497
23	Tuolumne.....	1,455,320
24	Yuba.....	2,395,580

25
26 ~~(3) Beginning in the 1991-92 fiscal year and in subsequent~~
27 ~~fiscal years, the jurisdictional risk limitation for the counties that~~
28 ~~did not contract with the department pursuant to Section 16709~~
29 ~~during the 1990-91 fiscal year shall be the amount specified in~~
30 ~~paragraph (A) plus the amount determined pursuant to paragraph~~
31 ~~(B), minus the amount specified in Section 16809.3.~~

32 ~~(A)–~~

33		
34	Jurisdiction	Amount
35	Lake.....	1,022,963
36	Mendocino.....	1,654,999
37	Merced.....	2,033,729
38	Placer.....	1,338,330
39	San Luis Obispo.....	2,000,491
40	Santa Cruz.....	3,037,783

Yolo..... 1,475,620

~~(B) The amount of funds necessary to fully fund the anticipated costs for the county shall be determined by the department. This amount shall be subject to the approval of both the Department of Finance and the Small County Advisory Committee before a county is permitted to contract back with the department.~~

~~(4) For the 1992-93 fiscal year and fiscal years thereafter, the amounts of the jurisdictional risk limitations shall be adjusted according to the provisions of paragraph (2).~~

~~(k) The Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Contracts under this section shall be exempt from the provisions of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. Contracts shall have no force and effect unless approved by the Department of Finance.~~

~~(l) The state shall not incur any liability except as specified in this section.~~

~~(m) The department may pursue third-party recoveries for services provided under this section pursuant to Article 3.5 (commencing with Section 14124.70) of Chapter 7 of Part 3.~~

~~(n) Under the program provided for in this section, the department shall reimburse hospitals for inpatient services at the rates negotiated for the Medi-Cal program by the California Medical Assistance Commission, pursuant to Article 2.6 (commencing with Section 14081) of Chapter 7 of Part 3, if the California Medical Assistance Commission determines that reimbursement to the hospital at the contracted rate will not have a detrimental fiscal impact on either the Medi-Cal program or the program provided for in this section. In negotiating and renegotiating contracts with hospitals, the commission may seek terms which allow reimbursement for patients receiving services under this section at contracted Medi-Cal rates.~~

~~(o) Any hospital which has a contract with the state for inpatient services under the Medi-Cal program and which has been approved by the commission to be reimbursed for patients receiving services under this section shall not deny services to these patients.~~

~~(p) Participating counties may conduct an independent program review to identify ways through which program savings may be generated. The counties and the department shall collectively pursue identified options for the realization of program savings.~~

~~(q) The Department of Finance may authorize a loan of up to thirty million dollars (\$30,000,000) for deposit into the program account to ensure that there are sufficient funds available to reimburse providers and counties pursuant to this section.~~

~~(r) This section shall become operative January 1, 2012.~~

~~SEC. 2. Section 16809 of the Welfare and Institutions Code, as amended by Section 31 of Chapter 80 of the Statutes of 2005, is repealed.~~

~~16809. (a) The board of supervisors of a county that contracted with the department pursuant to Section 16709 during the 1990-91 fiscal year and any county with a population under 300,000, as determined in accordance with the 1990 decennial census, may enter into a contract with the department and the department may enter into a contract with that county under which the department agrees to administer the program responsibilities for specified health services to county residents certified eligible for those services by the county.~~

~~(b) Each county intending to contract with the department pursuant to this section shall submit to the department a notice of intent to contract adopted by the board of supervisors no later than April 1 of the fiscal year preceding the fiscal year for which the agreement will be in effect in accordance with procedures established by the department.~~

~~(c) A county contracting with the department pursuant to this section shall not be relieved of its indigent health care obligation under Section 17000.~~

~~(d) The department shall establish the County Medical Services Program Account in the County Health Services Fund. The County Medical Services Program Account is continuously appropriated, notwithstanding Section 13340 of the Government Code, without regard to fiscal years. The following amounts may be deposited in the account:~~

~~(1) Any interest earned upon money deposited in the account.~~

~~(2) Moneys provided by participating counties or appropriated by the Legislature to the account.~~

1 ~~(3) Moneys loaned pursuant to subdivision (q).~~

2 ~~(e) Moneys in the program account shall be used by the~~
3 ~~department to pay for health care services provided to the~~
4 ~~persons meeting the eligibility criteria established pursuant to~~
5 ~~subdivision (j).~~

6 ~~(f) (1) Moneys in this account shall be administered on an~~
7 ~~accrual basis and notwithstanding any other provision of law,~~
8 ~~except as provided in this section, shall not be transferred to any~~
9 ~~other fund or account in the State Treasury except for purposes of~~
10 ~~investment as provided in Article 4 (commencing with Section~~
11 ~~16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the~~
12 ~~Government Code.~~

13 ~~(2) (A) All interest or other increment resulting from the~~
14 ~~investment shall be deposited in the program account, at the end~~
15 ~~of the 1982-83 fiscal year and every six months thereafter,~~
16 ~~notwithstanding Section 16305.7 of the Government Code.~~

17 ~~(B) All interest deposited pursuant to subparagraph (A) shall~~
18 ~~be available to reimburse program-covered services, or for~~
19 ~~expenditures to augment the program's rates, benefits, or~~
20 ~~eligibility criteria pursuant to subdivision (j).~~

21 ~~(g) The department shall establish a separate County Medical~~
22 ~~Services Program Reserve Account in the County Health~~
23 ~~Services Fund. Six months after the end of each fiscal year, any~~
24 ~~projected savings in the program account shall be transferred to~~
25 ~~the reserve account, with final settlement occurring no more than~~
26 ~~12 months later. Moneys in this account shall be utilized when~~
27 ~~expenditures for health services made pursuant to subdivision (j)~~
28 ~~for a fiscal year exceed the amount of funds available in the~~
29 ~~program account for that fiscal year. When funds in the reserve~~
30 ~~account are estimated to exceed 10 percent of the budget for~~
31 ~~health services for all counties electing to contract with the~~
32 ~~department under this section for the fiscal year, the additional~~
33 ~~funds shall be available for expenditure to augment the rates,~~
34 ~~benefits, or eligibility criteria pursuant to subdivision (j) or for~~
35 ~~reducing the participation fees required by Section 16809.3.~~

36 ~~(h) Moneys in the program account and the reserve account,~~
37 ~~except for moneys provided by the state in excess of the amount~~
38 ~~required to fund the state risk specified in subdivision (j), and~~
39 ~~any funds loaned pursuant to subdivision (q), shall not be~~
40 ~~transferred to any other fund or account in the State Treasury~~

1 except for purposes of investment as provided in Article 4
2 (commencing with Section 16470) of Chapter 3 of Part 2 of
3 Division 4 of Title 2 of the Government Code. All interest or
4 other increment resulting from investment shall be deposited in
5 the program account, notwithstanding Section 16705.7 of the
6 Government Code.

7 (i) (1) Counties shall pay by the 15th of each month the
8 agreed-upon contract amount. In the event a county does not
9 make the agreed-upon monthly payment, the department may
10 terminate the county's participation in the program.

11 (2) A county may request, due to financial hardship, the
12 payments under paragraph (1) be delayed. The request shall be
13 subject to approval by the Small County Advisory Committee.

14 (3) Payments made pursuant to this subdivision shall be
15 deposited in the program account.

16 (4) Payments may be made as part of the deposits authorized
17 by the county pursuant to Sections 17603.05 and 17604.05.

18 (j) (1) (A) For the 1991-92 fiscal year and all preceding fiscal
19 years, the state shall be at risk for any costs in excess of the
20 amounts deposited in the reserve fund.

21 (B) Beginning in the 1992-93 fiscal year and for each fiscal
22 year thereafter, counties and the state shall share the risk for cost
23 increases of the County Medical Services Program not funded
24 through other sources. The state shall be at risk for any cost that
25 exceeds the cumulative annual growth in dedicated sales tax and
26 vehicle license fee revenue, up to the amount of twenty million
27 two hundred thirty-seven thousand four hundred sixty dollars
28 (\$20,237,460) per fiscal year, except for the 1999-2000, 2000-01,
29 2001-02, 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years.
30 Counties shall be at risk up to the cumulative annual growth in
31 the Local Revenue Fund created by Section 17600 according to
32 the table specified in paragraph (2) to the County Medical
33 Services Program, plus additional cost increases in excess of
34 twenty million two hundred thirty-seven thousand four hundred
35 sixty dollars (\$20,237,460) per fiscal year.

36 (C) As a condition of the state assuming this risk, the
37 department may require uniform eligibility criteria and benefits
38 to be provided which shall be mutually established by
39 participating counties in conjunction with the department. The
40 County Medical Services Program Governing Board may revise

these eligibility criteria and benefits or alter rates of payment in order to assure that expenditures do not exceed the funds available in the program account.

(2) For the 1991-92 fiscal year, jurisdictional risk limitations shall be as follows:

Jurisdiction	Amount
Alpine.....	\$- 13,150
Amador.....	620,264
Butte.....	5,950,593
Calaveras.....	913,959
Colusa.....	799,988
Del Norte.....	781,358
El Dorado.....	3,535,288
Glenn.....	787,933
Humboldt.....	6,883,182
Imperial.....	6,394,422
Inyo.....	1,100,257
Kings.....	2,832,833
Lassen.....	687,113
Madera.....	2,882,147
Marin.....	7,725,909
Mariposa.....	435,062
Modoc.....	469,034
Mono.....	369,309
Napa.....	3,062,967
Nevada.....	1,860,793
Plumas.....	905,192
San Benito.....	1,086,011
Shasta.....	5,361,013
Sierra.....	135,888
Siskiyou.....	1,372,034
Solano.....	6,871,127
Sonoma.....	13,183,359
Sutter.....	2,996,118
Tehama.....	1,912,299
Trinity.....	611,497
Tuolumne.....	1,455,320
Yuba.....	2,395,580

~~(3) Beginning in the 1991-92 fiscal year and in subsequent fiscal years, the jurisdictional risk limitation for the counties that did not contract with the department pursuant to Section 16709 during the 1990-91 fiscal year shall be the amount specified in paragraph (A) plus the amount determined pursuant to paragraph (B), minus the amount specified in Section 16809.3.~~

~~(A)–~~

Jurisdiction	Amount
Lake.....	1,022,963
Mendocino.....	1,654,999
Mereed.....	2,033,729
Placer.....	1,338,330
San Luis Obispo.....	2,000,491
Santa Cruz.....	3,037,783
Yolo.....	1,475,620

~~(B) The amount of funds necessary to fully fund the anticipated costs for the county shall be determined by the department. This amount shall be subject to the approval of both the Department of Finance and the Small County Advisory Committee before a county is permitted to contract back with the department.~~

~~(4) For the 1992-93 fiscal year and fiscal years thereafter, the amounts of the jurisdictional risk limitations shall be adjusted according to the provisions of paragraph (2).~~

~~(k) The Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Contracts under this section shall be exempt from the provisions of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. Contracts shall have no force and effect unless approved by the Department of Finance.~~

~~(l) The state shall not incur any liability except as specified in this section.~~

~~(m) The department may pursue third-party recoveries for services provided under this section pursuant to Article 3.5 (commencing with Section 14124.70) of Chapter 7 of Part 3.~~

~~(n) Under the program provided for in this section, the department shall reimburse hospitals for inpatient services at the rates negotiated for the Medi-Cal program by the California~~

~~Medical Assistance Commission, pursuant to Article 2.6 (commencing with Section 14081) of Chapter 7 of Part 3, if the California Medical Assistance Commission determines that reimbursement to the hospital at the contracted rate will not have a detrimental fiscal impact on either the Medi-Cal program or the program provided for in this section. In negotiating and renegotiating contracts with hospitals, the commission may seek terms which allow reimbursement for patients receiving services under this section at contracted Medi-Cal rates.~~

~~(o) Any hospital which has a contract with the state for inpatient services under the Medi-Cal program and which has been approved by the commission to be reimbursed for patients receiving services under this section shall not deny services to these patients.~~

~~(p) Participating counties may conduct an independent program review to identify ways through which program savings may be generated. The counties and the department shall collectively pursue identified options for the realization of program savings.~~

~~(q) The Department of Finance may authorize a loan of up to thirty million dollars (\$30,000,000) for deposit into the program account to ensure that there are sufficient funds available to reimburse providers and counties pursuant to this section.~~

~~(r) This section shall become operative January 1, 2008.~~

~~SEC. 3. Section 16809.3 of the Welfare and Institutions Code is repealed.~~

~~16809.3. (a) Beginning in the 1991-92 fiscal year, and in each fiscal year thereafter, a county shall pay the amount listed below or as established by the County Medical Services Program Governing Board pursuant to subparagraph (B) of paragraph (1) of subdivision (f) of Section 16809.4, to the department as a condition of participation in the County Medical Services Program administered pursuant to Section 16809:~~

Jurisdiction	--- Amount
Alpine.....	\$ - 661
Amador.....	17,107
Butte.....	459,610
Calaveras.....	30,401
Colusa.....	28,997

1	Del Norte.....	39,424
2	El Dorado.....	233,492
3	Glenn.....	33,989
4	Humboldt.....	430,851
5	Imperial.....	249,786
6	Inyo.....	18,950
7	Kings.....	195,053
8	Lassen.....	17,206
9	Madera.....	151,434
10	Marin.....	576,233
11	Mariposa.....	5,649
12	Modoc.....	9,688
13	Mono.....	25,469
14	Napa.....	142,767
15	Nevada.....	42,051
16	Plumas.....	23,796
17	San Benito.....	37,018
18	Shasta.....	294,369
19	Sierra.....	6,183
20	Siskiyou.....	48,956
21	Solano.....	809,548
22	Sonoma.....	718,947
23	Sutter.....	188,781
24	Tehama.....	79,950
25	Trinity.....	8,319
26	Tuolumne.....	34,947
27	Yuba.....	101,907

28

29 ~~(b) Beginning in the 1991–92 fiscal year and in each fiscal~~
30 ~~year thereafter, counties which did not contract with the~~
31 ~~department pursuant to Section 16709 during the 1990–91 fiscal~~
32 ~~year shall pay the following amount listed below or as~~
33 ~~established by the County Medical Services Program Governing~~
34 ~~Board pursuant to subparagraph (B) of paragraph (1) of~~
35 ~~subdivision (f) of Section 16809.4, to the department as a~~
36 ~~condition of participation in the County Medical Services~~
37 ~~Program, administered pursuant to Section 16809:~~

38

39	Jurisdiction	Amount
40	Lake.....	\$150,278

1	Mendocino.....	247,578
2	Merced.....	488,954
3	Placer.....	247,193
4	San Luis Obispo.....	358,571
5	Santa Cruz.....	678,868
6	Yolo.....	532,510

7
8 ~~(e) (1) County amounts specified in subdivisions (a) and (b)~~
9 ~~shall be paid to the department in 12 equal monthly payments~~
10 ~~according to the procedures specified by the department. Subject~~
11 ~~to paragraphs (2) and (3), a county that does not pay the amounts~~
12 ~~specified in subdivision (a) or (b) may be terminated from~~
13 ~~participation in the program.~~

14 ~~(2) A county may request, due to financial hardship, that~~
15 ~~payments specified under subdivisions (a) and (b) be delayed.~~
16 ~~The request shall be subject to the approval of the Small County~~
17 ~~Advisory Committee.~~

18 ~~(3) For the 1991-92 fiscal year and subsequent fiscal years,~~
19 ~~counties that enter the County Medical Services Program shall~~
20 ~~pay the amount specified in subdivision (a) or (b), as applicable,~~
21 ~~on a prorated basis, for the number of contracted months of~~
22 ~~participation in the County Medical Services Program.~~

23 ~~(d) The payments required by subdivision (e) shall not be paid~~
24 ~~for with funds from the health account of the local health and~~
25 ~~welfare trust fund established pursuant to Section 17600.10.~~

26 ~~(e) The department shall reduce the amounts specified in~~
27 ~~subdivision (b) if the revenue authority provided for in either~~
28 ~~Section 29550 of the Government Code, or Section 97 of the~~
29 ~~Revenue and Taxation Code, or both, which is effective on or~~
30 ~~after September 1, 1991, is reduced by enactment of legislation~~
31 ~~or by judicial order, unless those county general purpose~~
32 ~~revenues are replaced in the 1991-92 fiscal year and subsequent~~
33 ~~fiscal years by county general purpose revenue authority which,~~
34 ~~when added to the remaining revenue authority, will be equal to~~
35 ~~the revenue authority made available to the counties during the~~
36 ~~1991-92 fiscal year.~~

37 ~~(f) This section shall become inoperative January 1, 1995, and~~
38 ~~shall become operative January 1, 2003.~~

1 ~~SEC. 3.~~

2 ~~SEC. 4.~~ Section 16809.4 of the Welfare and Institutions Code
3 is amended to read:

4 16809.4. (a) Counties voluntarily participating in the County
5 Medical Services Program pursuant to Section 16809 may
6 establish the County Medical Services Program Governing Board
7 pursuant to procedures contained in this section. ~~The board shall~~
8 ~~govern the CMSP program~~ *Governing Board shall govern the*
9 *County Medical Services Program.*

10 (b) The membership of the ~~board~~ *Governing Board* shall be
11 comprised of all of the following:

12 (1) Three members who shall each be a member of a county
13 board of supervisors.

14 (2) Three members who shall be county administrative
15 officers.

16 (3) Two members who shall be county welfare directors.

17 (4) Two members who shall be county health officials.

18 (5) One member who shall be the Secretary of the Health and
19 Welfare Agency, or his or her designee, and who shall serve as
20 an ex officio, nonvoting member.

21 (c) ~~The board~~ *Governing Board* may establish its own bylaws
22 and operating procedures.

23 (d) The voting membership of the ~~board~~ *Governing Board*
24 shall meet all of the following requirements:

25 (1) All of the members shall hold office or employment in
26 counties that participate in the ~~CMSP program~~ *County Medical*
27 *Services Program.*

28 ~~(2) The initial CMSP Governing Board shall be composed of~~
29 ~~the incumbent members of the Small County Advisory~~
30 ~~Committee holding office on the effective date of this section.~~
31 ~~Those members shall choose one additional county supervisor~~
32 ~~and one additional county administrative officer. The initial~~
33 ~~CMSP Governing Board shall hold office until April 1, 1995.~~

34 ~~(3) The initial CMSP Governing Board shall be succeeded on~~
35 ~~April 1, 1995, by a board chosen in the following order so as to~~
36 ~~ensure that no two representatives shall be from the same county.~~

37 ~~Following the effective date of this section:~~

38 ~~(A) The three county supervisor members shall be elected by~~
39 ~~the CMSP counties acting prior to February 1, 1995, with each~~
40 ~~the boards of supervisors of the CMSP counties, with each~~

1 county having one vote and convened at the call of the Chair of
2 the ~~CMSP~~ Governing Board.

3 (B) The three county administrative officers shall be elected
4 by the administrative officers of the CMSP counties convened at
5 the call of the Chair of the ~~CMSP Governing Board~~ prior to
6 ~~February 15, 1995~~ *Governing Board*.

7 (C) The two county health officials shall be selected by the
8 health officials of the CMSP counties convened at the call of the
9 ~~Chair of the CMSP Governing Board~~ prior to ~~March 1, 1995~~.
10 *Chair of the Governing Board*.

11 (D) The two county welfare directors shall be elected by the
12 welfare directors of the CMSP counties convened at the call of
13 ~~the Chair of the CMSP Governing Board~~ prior to ~~March 15,~~
14 ~~1995~~; *the Chair of the Governing Board*.

15 ~~(4) Board~~

16 (2) *Governing Board* members shall serve three-year terms.

17 ~~(5)~~

18 (3) No two persons from the same county may serve as
19 members of the ~~board~~ *Governing Board* at the same time.

20 ~~(e) (1) The board shall convene its first meeting at the call of~~
21 ~~the Chair of the Small County Advisory Committee, who shall~~
22 ~~serve as interim chairperson of the board.~~

23 ~~(2) The board~~

24 (4) *The Governing Board* may elect a permanent chair.

25 ~~(f) (1) The CMSP~~

26 ~~(e) (1) The~~ *Governing Board* is hereby established with the
27 following powers:

28 (A) Determine program eligibility and benefit levels.

29 (B) Establish reserves and participation fees.

30 (C) Establish procedures for the entry into, and disenrollment
31 of counties from the County Medical Services Program.
32 Disenrollment procedures shall be fair and equitable.

33 (D) Establish cost containment and case management
34 procedures, including, but not limited to, alternative methods for
35 delivery of care and alternative methods and rates for those
36 ~~authorized~~ *used* by the department.

37 (E) Sue and be sued in the name of the ~~CMSP~~ *Governing*
38 *Board*.

39 (F) Apportion jurisdictional risk to each county.

- 1 (G) Utilize procurement policies and procedures of any of the
2 participating counties as selected by the ~~governing board~~
3 *Governing Board*.
- 4 (H) Make rules and regulations.
- 5 (I) Make and enter into contracts or stipulations of any nature
6 with a public agency or person for the purposes of governing or
7 administering the ~~CMSP~~ *County Medical Services Program*.
- 8 (J) Purchase supplies, equipment, materials, property, or
9 services.
- 10 (K) Appoint and employ staff to assist the ~~CMSP~~ Governing
11 Board.
- 12 (L) Establish rules for its proceedings.
- 13 (M) Accept gifts, contributions, grants, or loans from any
14 public agency or person for the purposes of this program.
- 15 (N) Negotiate and set rates, charges, or fees with service
16 providers, including alternative methods of payment to those
17 used by the department.
- 18 (O) Establish methods of payment that are compatible with the
19 administrative requirements of the department's fiscal
20 intermediary during the term of any contract with the department
21 for the administration of the ~~CMSP~~ *County Medical Services*
22 *Program*.
- 23 (P) Use generally accepted accounting procedures.
- 24 (Q) *Develop and implement procedures and processes to*
25 *monitor and enforce the appropriate billing and payment of*
26 *rates, charges, and fees.*
- 27 (R) *Investigate and pursue repayment of fees billed and paid*
28 *through improper means, including, but not limited to, fraudulent*
29 *billing and collection practices by providers.*
- 30 (S) *Pursue third-party recoveries and estate recoveries for*
31 *services provided under the County Medical Services Program,*
32 *including the filing and protecting of liens to secure*
33 *reimbursement for the reasonable value of benefits provided.*
- 34 (T) *Establish and maintain pilot projects to identify or test*
35 *alternative approaches for determining eligibility or for*
36 *providing or paying for services.*
- 37 (U) *Develop and implement alternative products with varying*
38 *levels of eligibility criteria and benefits outside of the County*
39 *Medical Services Program for counties contracting with the*
40 *Governing Board for those products, provided that any such*

products shall be funded separately from the County Medical Services Program and shall not impair the financial stability of that program.

(2) The Legislature finds and declares that the amendment of subparagraph (N) of paragraph (1) in 1995 *is, and the addition of subparagraphs (Q), (R), (S), and (T) in 2006, are* declaratory of existing law.

~~(g) (1) The CMSP~~

(f) (1) The Governing Board shall be considered a “public entity” for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, and a “local public entity” for purposes of Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code, but shall not be considered a “state agency” for purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code and shall be exempt from that chapter. No participating county shall have any liability for civil judgments awarded against the County Medical Services Program or the ~~board~~ *Governing Board*. Nothing in this paragraph shall be construed to expand the liability of the state with respect to the County Medical Services Program beyond that set forth in Section 16809. Nothing in this paragraph shall be construed to relieve any county of the obligation to provide health care to indigent persons pursuant to Section 17000, *or the obligation of any county to pay its participation fees and share of apportioned and allocated risk.*

(2) Before initiating any proceeding to challenge rates of payment, charges, or fees set by the ~~board~~ *Governing Board*, to seek reimbursement or release of any funds from the County Medical Services Program, or to challenge any other action by the ~~board~~ *Governing Board*, any prospective claimant shall first notify the ~~board~~ *Governing Board*, in writing, of the nature and basis of the challenge and the amount claimed. The ~~board~~ *Governing Board* shall consider the matter within 60 days after receiving the notice and shall promptly thereafter provide written notice of the ~~board's decision. This Governing Board's decision.~~ *If the Governing Board contracts with the department for administration of the program in accordance with Section 16809, this paragraph shall have no application to provider audit appeals conducted pursuant to Article 1.5 (commencing with Section*

1 51016) of Chapter 3 of Division 3 of Title 22 of the California
2 Code of Regulations and shall apply to all claims not reviewed
3 pursuant to Sections 51003 or 51015 of Title 22 of the California
4 Code of Regulations.

5 (3) All regulations adopted by the ~~CMSP~~ Governing Board
6 shall clearly specify by reference the statute, court decision, or
7 other provision of law that the governing board is seeking to
8 implement, interpret, or make specific by adopting, amending, or
9 repealing the regulation.

10 (4) No regulation adopted by the ~~governing board~~ *Governing*
11 *Board* is valid and effective unless the regulation meets the
12 standards of necessity, authority, clarity, consistency, and
13 nonduplication, as defined in paragraph (5).

14 (5) The following definitions govern the interpretation of this
15 subdivision:

16 (A) “Necessity” means the record of the regulatory proceeding
17 that demonstrates by substantial evidence the need for the
18 regulation. For purposes of this standard, evidence includes, but
19 is not limited to, facts, studies, and expert opinion.

20 (B) “Authority” means the provision of law that permits or
21 obligates the CMSP Governing Board to adopt, amend, or repeal
22 a regulation.

23 (C) “Clarity” means that the regulation is written or displayed
24 so that the meaning of the regulation can be easily understood by
25 those persons directly affected by it.

26 (D) “Consistency” means being in harmony with, and not in
27 conflict with, or contradictory to, existing statutes, court
28 decisions, or other provisions of law.

29 (E) “Nonduplication” means that a regulation does not serve
30 the same purpose as a state or federal statute or another
31 regulation. This standard requires that the governing board
32 identify any state or federal statute or regulation that is
33 overlapped or duplicated by the proposed regulation and justify
34 any overlap or duplication. This standard is not intended to
35 prohibit the governing board from printing relevant portions of
36 enabling legislation in regulations when the duplication is
37 necessary to satisfy the clarity standard in subparagraph (C). This
38 standard is intended to prevent the indiscriminate incorporation
39 of statutory language in a regulation.

40 (h)

(g) The requirements of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) shall apply to the meetings of the CMSP Governing Board, including meetings held pursuant to subdivision (i), except the board may meet in closed session to consider and take action on matters pertaining to contracts and contract negotiations with providers of health care services.

~~(i) (1) The governing board~~

(h) (1) *The Governing Board* shall comply with the following procedures for public meetings held to eliminate or reduce the level of services, restrict eligibility for services, or adopt regulations:

(A) Provide prior public notice of those meetings.

(B) Provide that notice not less than 30 days prior to those meetings.

(C) Publish that notice in a newspaper of general circulation in each participating CMSP county.

(D) Include in the notice, at a minimum, the amount and type of each proposed change, the expected savings, and the number of persons affected.

(E) ~~Hold~~ *Either hold* those meetings in the county seats of at least four regionally distributed CMSP participating counties, *or, alternatively, hold two meetings in Sacramento County.*

~~(F) Locate those meetings so as to provide that each hearing will be within a four-hour one-way drive of one quarter of the target population so that the four meetings shall be held at locations in the state that will ensure that each member of the target population may reach at least one of the meetings by a one-way drive that does not exceed four hours.~~

~~(2) From January 1, 2004, to July 1, 2005, inclusive, the~~

(2) *The* requirements for public meetings pursuant to this subdivision to eliminate or reduce the level of services, or to restrict the eligibility for services or hear testimony regarding regulations to implement any of these service charges, are satisfied if at least three voting members of the ~~governing board~~ *Governing Board* hold the meetings as required and report the testimony from those meetings to the ~~full-board~~ *Governing Board* at its next regular meeting. No action shall be taken at any meeting held pursuant to this ~~subdivision~~ *paragraph*.

(j)

(i) Records of the County Medical Services Program and of the ~~CMSP~~ Governing Board that relate to rates of payment or to the board's negotiations with providers of health care services or to the ~~board's~~ *Governing Board's* deliberative processes regarding either shall not be subject to disclosure pursuant to the Public Records Act (Chapter 5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

~~(k)~~

(j) The following definitions shall govern the construction of this part, unless the context requires otherwise:

~~(1) "CMSP Governing Board" means the County Medical Services Program Governing Board established pursuant to this section.~~

~~(2) "Board" means the County Medical Services Program Governing Board established pursuant to this section.~~

~~(3) "CMSP"~~

~~(1) "CMSP" or "program" means the County Medical Services Program, which is the program by which health care services are provided to eligible persons in those counties electing to participate in the CMSP pursuant to Section 16809.~~

~~(4)~~

~~(2) "CMSP county" means a county that has elected to participate pursuant to Section 16809 in the CMSP.~~

~~(i) Any references to the "County Medical Services Program" or "CMSP county" in this code shall be defined as set forth in this section.~~

~~(m) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted on or before January 1, 2012, deletes or extends that date.~~

~~(3) "Governing Board" means the County Medical Services Program Governing Board established pursuant to this section.~~

SEC. 5. Section 16901 of the Welfare and Institutions Code is amended to read:

16901. "CMSP county" means a county ~~which contracts with the department for the administration of health services that has elected to participate in the CMSP pursuant to Section 16809.~~

O